

European stocks move higher as UK overhauls banking rules

UK stocks have made modest gains on the day that Chancellor [Jeremy Hunt](#) unveiled plans to overhaul post-2008 financial services regulations.

The so-called “[Edinburgh](#) reforms” will implement 30 changes that are expected to “turbocharge” growth in the UK and encourage investment into the City.

Faced with the argument that the move could destabilise post-financial crisis protections, Mr Hunt assured the UK that the Treasury was prioritising both growth and stability in loosening rules.

UK banking giants, insurers and asset managers were among the companies that lifted to the top of the FTSE 100 on Friday, helping to lift it out of negative territory from previous days.

It closed 4.46 points higher, or 0.06%, at 7,476.63.

Read More

- [Chancellor highlights energy security in meeting with oil and gas leaders](#)
- [Bank reforms may not cause next crash, but they're unlikely to boost growth either](#)
- [Sunak says regulations are 'robust' after relaxing post-financial crisis rules](#)
- SPONSORED

[Why Chelsea has Christmas all wrapped up](#)

Emma Mogford, a fund manager at Premier Miton Investors, said: "I see this as the beginning of a more positive regulatory environment for banks in the UK.

"Years of increasing capital requirements drove banks to reduce the riskier parts of their lending and the knock on effect of lower lending had been negative for economic growth.

"Friday's announcement, combined with the reduction in the extra tax that banks pay, marks a swing in the pendulum towards more supportive regulation and recognises that the banks can now play an important part in reviving the UK economy."

Meanwhile, [European](#) and US stocks were also moving higher at the end of the day. The German Dax was up 0.74% and the French Cac closed 0.73% higher.

The S&P 500 was up by 0.21% and Dow Jones was edging up by 0.05% when European markets closed.

The pound also rallied against the US dollar, up 0.5% to 1.23 dollars, and was up 0.7% to 1.1663 against the euro.

In company news, housebuilder [Berkeley Group](#) told investors that it would be slowing down investment into new developments while the housing sector environment remains challenging.

It said that sales were down by a quarter in recent weeks compared to the previous five months, reflecting a cooling market.

Shares in the FTSE 100-listed company were up by 0.32%.

Meanwhile, shares in car dealership business [Pendragon](#) plummeted on Friday after its top shareholder withdrew its takeover pursuit.

Swedish car dealer group Hedin had previously proposed a deal

that would value Pendragon at £406 million, but withdrew the offer as a result of challenging economic conditions.

Shares in Pendragon closed 28.4% lower at close.

The biggest risers on the FTSE 100 were DS Smith, up 14.7p to 327.7p, Intercontinental Hotels Group, up 194p to 4,986p, Prudential, up 32p to 1,090.5p, Rolls-Royce Holdings, up 2.66p to 94.05p, and Halma, up 56p to 2,133p.

The biggest fallers on the FTSE 100 were Frasers Group, down 32p to 782.5p, Anglo-American, down 109.5p to 3,190p, GSK, down 25.8p to 1,457.8p, Tesco, down 3p to 227.9p, Fresnillo, down 11.4p to 874p.